

# ***NEWS RELEASE***

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## ***OFFICE OF THE UNITED STATES ATTORNEY SOUTHERN DISTRICT OF CALIFORNIA San Diego, California***

***United States Attorney  
Carol C. Lam***

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***For Immediate Release***

### **NEWS RELEASE SUMMARY** - June 26, 2006

United States Attorney Carol C. Lam announced that San Diego attorney B. Roland Frasier III was sentenced today in federal court in San Diego by the Honorable M. James Lorenz to serve five months in custody and five months in home detention, based on Frasier's conviction for income tax evasion and money laundering.

In September 2004, Frasier pled guilty to income tax evasion, making false statements on individual income tax returns, and money laundering. According to court records, Frasier was a partner in the San Diego law firm of Gage, Frasier & Teeple, who specialized in asset protection planning which included forming trusts and corporations for his clients. Over a period of several years Frasier used foreign corporations and off-shore bank accounts to hide his client's income from federal tax authorities. In April 1998, Dr. Glenn Kawesch, an ophthalmologist in La Jolla, California, retained the services of Frasier for the purposes of providing asset protection and forming a Nevis corporation and a trust. In the course of that year alone, Frasier helped Kawesch hide more than \$1,250,000 for the purpose of illegally evading Kawesch's income taxes.

Court records also detail how Frasier filed false personal and corporate income tax returns in order to evade his own taxes. The records establish that Frasier was an officer of several domestic corporations. For the tax years 1997, 1998 and 1999, Frasier diverted business income to third party entities over which he had control including the Gage, Frasier, & Teeple Client Trust Account and nominee foreign corporations. Frasier did not declare the diverted business income on his individual income tax returns and utilized these funds for personal expenditures. For the tax years 2000 and 2001, Frasier filed false corporate tax returns by deducting false expenses he characterized as “licensing fees” and “legal expenses” and deposited these funds into the Gage, Frasier & Teeple Client Trust Account which he subsequently used for personal expenditures.

United States Attorney Lam stated, “Frasier fundamentally abused the privileges of the legal profession and used his specialized knowledge in asset protection not only to cheat on his own taxes but also to counsel others on how to evade income tax and hide the proceeds of crime.”

Ronald Krajewski, Acting Special Agent in Charge of the San Diego Field Office, Criminal Investigation, said, "As a licensed attorney specializing in asset protection planning, Mr. Frasier went to great lengths to illegally conceal Dr. Kawesch's income as well as conceal his own income. These criminal actions were designed solely to conceal assets, evade income, and defeat our tax system. IRS Criminal Investigators have the unique ability to unravel the most complex tax evasion and offshore schemes and ensure that individuals who commit these crimes will be prosecuted."

## **DEFENDANT**

B. Roland Frasier

## **SUMMARY OF CHARGES**

Tax Evasion in violation of Title 26, U.S.C. § 7201 - (Count 1)  
Maximum penalty is five years in prison and fine not to exceed \$100,000.

Filing a False Tax Return in violation of Title 26, U.S.C. § 7206(1) - (Count 2)  
Maximum penalty is three years in prison and fine not to exceed \$100,000.

Engaging in Monetary Transactions in Property Derived from Securities Fraud in violation of Title 18, U.S.C. § 1957 - (Count 3)

Maximum penalty is ten years in prison and fine not to exceed \$500,000 (or twice the value of the property involved in the transaction).

### **AGENCIES**

Internal Revenue Service - Criminal Investigation Division

Federal Bureau of Investigation